

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

November 20, 2008

TO: Internal File

THRU: Daron R. Haddock, Permit Supervisor

FROM: Steve Christensen, Lead *SKC*

SUBJECT: Wellington Dry-Coal Cleaning Facility Application, Headwaters, Inc., Covol, Permit C/007/0045, Task ID #3075

SUMMARY:

On October 30th, 2008, the Division of Oil, Gas and Mining (the Division) received a permit application package response (the application) from Headwaters, Inc. (the Permittee) for the Wellington Dry-Coal Cleaning Facility (COVOL). The response was submitted to address the deficiencies identified by the previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899).

The facility utilizes an air-jig method to process coal-bearing materials. Termination of operations is contingent upon economic conditions. As such, the permit term is unknown. The Permittee anticipates that the facility will operate at the site for a period in excess of 5 years.

The anticipated acreage to be affected by the operation is approximately 30 acres. The disturbed area to be reclaimed is 30 acres. The land occupied by the facility is zoned for general industrial use. As such, complete site reclamation will not be required.

The following is the hydrologic analysis relative to the State of Utah R645-Coal Mining Rules. The hydrologic information provided in the application does not meet the requirements of the State of Utah R645-Coal Mining Rules. The application should not be approved at this time.

TECHNICAL MEMO

The following deficiencies must be addressed prior to Division approval of the application:

R645-301-724.100- The application does not meet the Groundwater Baseline requirements as required by the State of Utah R645-Coal Mining Rules. The previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899) had identified deficiencies with the groundwater characterization provided in the initial application. The Division noted during the initial technical analysis that the ground water monitoring requirements for the purpose of obtaining baseline information could be waived if the Permittee could demonstrate that data obtained from adjacent areas is comparable to the conditions found at the site. Upon review of the application, it appears that the data utilized by the Permittee from the Savage facility was not provided as requested.

The deficiency was discussed during the August 13th, 2008 meeting with COVOL representatives at which time; issues with this deficiency were not raised. The Permittee should provide the following:

- Provide the data that was utilized in determining the nature and characteristics of the groundwater system in the permit and adjacent area.
- Provide a discussion as to how the information/data obtained from the Savage Coal Terminal and “nearby wells” is representative of the ground water resources located at the site. The discussion should address groundwater flow direction within the permit and adjacent area.

R645-301-724.200- The application does not meet the Surface Water Baseline requirements as required by the State of Utah R645-Coal Mining Rules. The previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899) had identified deficiencies with the surface water characterization provided in the initial application. Upon review of the application, it does not appear that the deficiencies were addressed. The deficiency was discussed during the August 13th, 2008 meeting with COVOL representatives at which time; issues with this deficiency were not raised. The Permittee should provide the following:

- The application should provide the data and/or observations that were utilized in determining the nature and characteristics of Miller Creek. The application characterizes Miller Creek as a “perennial stream”. The Permittee must provide some justification (based upon available data/information) as to how that determination was made. As the application has identified Miller Creek as a perennial stream and as it is located less than ½ mile south of the site, the State of Utah R645-Coal Mining Rules require some semblance of baseline data/information that establishes how the flow characteristics of that drainage were established by the Permittee.
- In addition, the Permittee should address how the nature/characteristics of the tributary to Miller Creek located approximately 400 feet west of the southwest sediment pond were

established (See Figure 7-2). During the August 13th, 2008 meeting with COVOL representatives, it was determined that the ephemeral nature of this drainage could be established by discussing/presenting information on the size of the watershed, stream morphology, presence/lack of riparian vegetation etc. It does not appear that this information was provided with the application.

R645-301-725: The application does not meet the Baseline Cumulative Impact Area Information requirements of R645-301-725. The Permittee must provide the data utilized in characterizing the nature of the ground and surface water systems within the permit and adjacent area. The data is necessary in order for the Division to accurately assess the probably cumulative hydrologic impacts of the proposed operation.

R645-301-728, -731.300: R645-301-728, -731.300 The Permittee must modify their proposed sampling protocol for potentially acid- and toxic-forming materials as outlined on page 7-13 of the application. The Permittee outlines a proposed sampling protocol for determining the presence/absence of potentially acid- and toxic-forming material on the site. Upon review, sampling of the coal to be retained on site for longer than 30 days is predicated upon the existence of client-provided data (i.e. if the data is unobtainable or does not exist, no sampling would occur in the event that the coal remains on the site for extended periods of time). The Permittee must provide a commitment to sample any coal product (raw material, product or byproduct) that is retained on the site for extended periods of time. The State of Utah R645-Coal Mining Rules provides leeway in establishing the sampling frequency of the coal material (i.e. based on tonnage, time periods or a combination of both). The sampling should be conducted according to Tables 7 and 8 of the Division's Guidelines For The Analysis of Topsoil Overburden.

R645-301-724.100 and -731.210: The Permittee must provide additional groundwater monitoring information. The location of the groundwater monitoring well, the sampling parameters and the monitoring frequency must be provided prior to Division approval of the application. As outlined in Attachment A of the agreement entered into by the Permittee and the Division (dated September 15h, 2008), the Permittee will work in consultation with the Division to establish the aforementioned criteria.

R645-301-724.200 and -731.220: The application does not meet the Surface Water Monitoring Plan requirements as required by the State of Utah R645-Coal Mining Rules. The previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899) had identified a deficiency with surface water monitoring. Upon review of the application, it does not appear that the deficiency was addressed.

The Permittee must provide a justification for not conducting surface water monitoring within the permit and adjacent area. The applications response to the deficiency cites Section 7.2.4.2 as having been modified to address this deficiency. The modification to Section 7.2.4.2 discusses the ephemeral nature of the Miller Creek tributary and irrigation return flow. The

TECHNICAL MEMO

surface-water monitoring deficiency is not addressed with this revision. The Permittee must provide a reasonable/justifiable discussion as to why surface-water monitoring is not necessary. Addressing the ephemeral nature of the tributary alone does not adequately address the previously identified deficiency (Task ID #2899) pertaining to surface-water monitoring.

R645-301-722.400: The previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899) had identified a deficiency with Well Maps. Upon review of the application, it does not appear that the deficiency was addressed. The deficiency was discussed during the August 13th, 2008 meeting with COVOL representatives at which time; issues with this deficiency were not raised. The Permittee should provide the following:

- The Permittee should provide a map that depicts the wells located within the permit and adjacent area. On page 7-4 of the application the Permittee states, "No water-supply wells or groundwater monitoring wells currently exist in the permit area". Although no water-supply wells exist within the permit area, the second paragraph of page 7-2 states, "Groundwater monitoring wells and a French drain installed at the Savage Coal Terminal, located approximately 0.25 miles north of the COVOL Dry-Coal cleaning Facility, were constructed from 6 to 20 feet deep into these materials." If the groundwater information from the Savage Coal Terminal is to be cited as the baseline data for the permit application, a map should be provided that depicts the locations of these wells located in the adjacent area. (See also R645-301-722.300).

TECHNICAL ANALYSIS:

ENVIRONMENTAL RESOURCE INFORMATION

Regulatory Reference: Pub. L 95-87 Sections 507(b), 508(a), and 516(b); 30 CFR 783., et. al.

GENERAL

Regulatory Reference: 30 CFR 783.12; R645-301-411, -301-521, -301-721.

Analysis:

The application meets the General Environmental Resource Information requirements. Beginning on page 7-2, the Permittee provides the general hydrologic information.

Findings:

The application meets the General Environmental Resource Information requirements as outlined in the State of Utah R645-Coal Mining Rules.

CLIMATOLOGICAL RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.18; R645-301-724.

Analysis:

The application meets the Climatological Resource Information requirements per the State of Utah R645-Coal Mining Rules. On page 7-6 of the application the Permittee provides climatological information for the site. Data is presented from the Western Regional Climate Center. The Permittee provides normal annual precipitation values, normal annual temperatures as well as the average annual wind speed at the location.

Findings:

The application meets the Climatological Resource Information requirements per the State of Utah R645-Coal Mining Rules.

ALLUVIAL VALLEY FLOORS

Regulatory Reference: 30 CFR 785.19; 30 CFR 822; R645-302-320.

TECHNICAL MEMO

Analysis:

Alluvial Valley Floor Determination

The application meets the Alluvial Valley floor requirements as outlined in the State of Utah R645-Coal Mining Rules. The Permittee addresses alluvial valley floors in Chapter 9 of the application.

The Permittee states, "The COVOL Dry –Coal Cleaning Facility is located in an upland area overlain by a thin veneer of colluvial, slope wash deposits. It is not located within or adjacent to an alluvial valley floor."

Findings:

The application meets the Alluvial Valley floor requirements as outlined in the State of Utah R645-Coal Mining Rules.

HYDROLOGIC RESOURCE INFORMATION

Regulatory Reference: 30 CFR Sec. 701.5, 784.14; R645-100-200, -301-724.

Analysis:

Baseline Information

The application does not meet the Hydrologic Baseline Resource Information requirements as outlined in R645-301-724.

Water Rights

The application discusses water rights within the adjacent area of the permit beginning on page 7-3. The previous Division technical analysis (Task ID #2899) had identified water rights that were not discussed and/or presented in the previous submittal. Specifically, upon reviewing the water right information available on the Division of Water Rights database, it was determined that Water Right #91-3295 was located on Miller Creek approximately $\frac{3}{4}$ of a mile south of the site. The Permittee has amended the water right information in Appendix 7-1 as well depicted Water Right #91-3295 on Figure 7-2, *Surface Point of Diversion Water Rights and Permitted Facility Discharge Locations*.

(3) In addition, the Permittee has amended the water right information contained in Appendix 7-1 to include the numerous places of use (POU) that were identified in the Division

of Water Rights Database. Upon review of the 69 POU's within the adjacent area of the site, it was determined that the Price River Water user's Association (PriWD) held these water rights. These POU's represent water that is diverted from remote locations well outside the permit area and delivered via distribution systems throughout the region for industrial use as well as some limited stock watering and domestic use.

Groundwater

The application does not meet the Groundwater Baseline requirements as required by the State of Utah R645-Coal Mining Rules. The previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899) had identified deficiencies with the groundwater characterization provided in the initial application. The Division noted during the initial technical analysis that the ground water monitoring requirements for the purpose of obtaining baseline information could be waived if the Permittee could demonstrate that data obtained from adjacent areas is comparable to the conditions found at the site. Upon review of the application, it appears that the data utilized by the Permittee from the Savage facility was not provided as requested.

The deficiency was discussed during the August 13th, 2008 meeting with COVOL representatives at which time; issues with this deficiency were not raised. The Permittee should provide the following:

- Provide the data that was utilized in determining the nature and characteristics of the groundwater system in the permit and adjacent area.
- Provide a discussion as to how the information/data obtained from the Savage Coal Terminal and "nearby wells" is representative of the ground water resources located at the site. The discussion should address groundwater flow direction within the permit and adjacent area.

According to the application, groundwater is "potentially located in both shallow, perched Quaternary unconsolidated deposits above bedrock and in the Ferron Sandstone member of the Mancos Shale, which is approximately 700 feet below the ground surface at the permit area". The application references information from Utah Geological Survey bulletin 132, "Energy, Mineral, and Ground-Water Resources of Carbon and Emery Counties, Utah" (Gloyn et al., 2003).

Surface Water

The application does not meet the Surface Water Baseline requirements as required by the State of Utah R645-Coal Mining Rules. The previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899) had identified deficiencies with the surface water characterization provided in the initial application. Upon review of the application, it does not appear that the deficiencies were addressed. The deficiency was

TECHNICAL MEMO

discussed during the August 13th, 2008 meeting with COVOL representatives at which time; issues with this deficiency were not raised. The Permittee should provide the following:

- The application should provide the data and/or observations that were utilized in determining the nature and characteristics of Miller Creek. The application characterizes Miller Creek as a “perennial stream”. The Permittee must provide some justification (based upon available data/information) as to how that determination was made. As the application has identified Miller Creek as a perennial stream and as it is located less than ½ mile south of the site, the State of Utah R645-Coal Mining Rules require some semblance of baseline data/information that establishes how the flow characteristics of that drainage were established by the Permittee.
- In addition, the Permittee should address how the nature/characteristics of the tributary to Miller Creek located approximately 400 feet west of the southwest sediment pond (See Figure 7-2). During the August 13th, 2008 meeting with COVOL representatives, it was determined that the ephemeral nature of this drainage could be established by discussing/presenting information on the size of the watershed, stream morphology, presence/lack of riparian vegetation etc. This information does not appear to have been included in the application.

The surface water information is presented on page 7-3 and 7-5 of the application. Figure 7-2, *Surface Water Rights and Permitted Facility Discharge Locations*, depicts the proposed permit area boundary relative to surface water resources with the permit and adjacent area. The permit boundary is located approximately 350 feet of a tributary drainage to Miller Creek.

The topography of the permit and adjacent areas drains to the south toward Miller Creek. Miller Creek is characterized in the application as being a perennial stream that feeds into the Price River in Wellington, Utah. The application indicates that no historical stream gage data exists for Miller Creek.

Baseline Cumulative Impact Area Information

The application does not meet the Baseline Cumulative Impact Area Information requirements of R645-301-725. The Permittee must provide the data utilized in characterizing the nature of the ground and surface water systems within the permit and adjacent area. The data is necessary in order for the Division to accurately assess the probably cumulative hydrologic impacts of the proposed operation.

Modeling

No numerical modeling of ground or surface water was conducted in the preparation of the application.

Probable Hydrologic Consequences Determination

The application does not meet the Probable Hydrologic Consequences Determination requirements of R645-301-728.

The application discusses the probable hydrologic consequences from the operation beginning on page 7-7. The potential for hydrologic consequences on surface and ground water resources within the permit and adjacent area are minimal. As no mining activity is associated with the operation, the surface disturbance will be minimal.

The facility will operate under a UPDES Permit (# UTR000685). As part of the UPDES permit, the Permittee has developed a Storm Water Pollution Prevention Plan (SWP3) as well as a Spill Prevention Control and Countermeasure Plan. Copies of these documents are provided in the application in Appendices 7-2, 7-3 and 7-4 respectively.

The surface topography of the site slopes generally to the southeast. Grading of the site has been performed to direct all surface runoff to one of two sediment ponds located in the southeast and southwest corners of the site. Berms will be constructed to prevent storm water runoff from leaving the site. As part of the UPDES permit, both the berms and sediment ponds will be inspected on a quarterly basis or after/during a storm event greater than .5 inches to insure that they are operating as designed. As a result of the surface drainage plan, the potential for increased sedimentation to the receiving drainage (Miller Creek) is considered minimal.

The potential for flooding or stream flow alteration is considered minimal. The disturbed area does not contain surface water drainages. In addition, the disturbed area will be isolated from adjacent areas by the runoff control structures such as earthen berms, diversion ditches and sedimentation ponds. Runoff from all disturbed areas will flow to one of two sedimentation ponds prior to discharge into undisturbed drainages.

Groundwater and surface water availability impacts should be minimal. Due to the minimal amount of surface water resources within the permit and adjacent areas, and due to the runoff controls to be implemented at the site, surface water availability impacts should be negligible. Groundwater availability impacts should be minimal as well due to the relatively impermeable nature of the surface geology and underlying strata of Mancos Shale.

Potential hydrocarbon contamination is addressed on page 7-9 of the application. Impacts due to hydrocarbon contamination are considered to be minimal. All tanks and drums will be stored in secondary containment structures that prevent leaks from ever reaching the ground. Spills caused by filling operations outside of the secondary containment structures will

TECHNICAL MEMO

be minimized due to the economic value of the product. In addition, because the storage tanks and drums will be located above ground, leakage from the tanks will be readily detected and repaired. The Permittee has provided the Spill Prevention Control and Countermeasure Plan in Appendix 7-4. The plan mandates in sections, training and operational measures to minimize contamination resulting from the use of hydrocarbon products at the site.

In the previous technical analysis performed by the Division (Task ID #2899), the Permittee was instructed to clarify whether acid- or toxic-forming materials are to be present at the site. The Permittee was asked to address how they would identify/determine whether acid- or toxic- forming materials were brought to the site. In addition, the Permittee was to discuss how they would handle acid- or toxic-forming materials that may be present at the site and the potential for acid- or toxic-forming materials to produce hydrologic impacts.

Several areas were cited in the previous technical analysis where the application needed to provide clarification/discussion as to acid- or toxic-forming materials on the site.

Page 7-8 of the application states, "No acid- or toxic-forming materials are present at the COVOL Dry-Coal Cleaning Facility". The Permittee states that because the coal that is processed at the facility is produced from coalfields that have not historically produced significant acid- or toxic-materials (i.e. Book Cliffs, Wasatch Plateau and Emery coal Fields), the potential for ground and surface water impacts due to acid- or toxic-forming materials is minimal. In addition, the Permittee further discusses that due to the temporary storage of the coal material at the site, the relatively alkaline nature of the native soils and the runoff retention provided by the use of sedimentation ponds, the potential for acid- or toxic-forming materials contamination of ground and surface water resources in the permit and adjacent area is further reduced.

The Permittee must modify their proposed sampling protocol for potentially acid- and toxic-forming materials as outlined on page 7-13 of the application. The Permittee outlines a proposed sampling protocol for determining the presence/absence of potentially acid- and toxic-forming material on the site. Upon review, sampling of the coal to be retained on site for longer than 30 days is predicated upon the existence of client-provided data (i.e. if the data is unobtainable or does not exist, no sampling would occur in the event that the coal remains on the site for extended periods of time). The Permittee must provide a commitment to sample any coal product (raw material, product or byproduct) that is retained on the site for extended periods of time. The State of Utah R645-Coal Mining Rules provides leeway in establishing the sampling frequency of the coal material (i.e. based on tonnage, time periods or a combination of both). The sampling should be conducted according to Tables 7 and 8 of the Division's Guidelines For The Analysis of Topsoil Overburden.

Groundwater Monitoring Plan

The application does not meet the Groundwater Monitoring Plan requirements of R645-301-724.100.

In the previous technical analysis performed by the Division (Task ID #2899), the Permittee was asked to provide a justification for not conducting groundwater monitoring within the permit and adjacent area. The Division noted during the initial technical analysis that the ground water monitoring requirements for the purpose of obtaining baseline information could be waived if the Permittee could demonstrate that data obtained from adjacent areas is comparable to the conditions found at the site. As noted in the ground water baseline deficiency above, the data utilized by the Permittee from the Savage facility was not provided as requested.

Based upon the agreement entered into by the Permittee and the Division (dated September 15th, 2008), the Permittee has agreed to install one groundwater monitoring well down gradient from the proposed operation site. Additionally, the Permittee commits to quarterly water monitoring for a period of one year in order to obtain baseline information. Quarterly water monitoring would also be conducted during the first year of reclamation after operations at the site have ended.

The Permittee must provide additional groundwater monitoring information. The location of the groundwater monitoring well, the sampling parameters and the monitoring frequency must be provided prior to Division approval of the application. As outlined in Attachment A of the agreement entered into by the Permittee and the Division (dated September 15h, 2008), the Permittee will work in consultation with the Division to establish the aforementioned criteria.

Surface-Water Monitoring Plan

The application does not meet the Surface Water Monitoring Plan requirements of R645-301-724.200.

The application does not meet the Surface Water Monitoring Plan requirements as required by the State of Utah R645-Coal Mining Rules. The previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899) had identified a deficiency with surface water monitoring. Upon review of the application, it does not appear that the deficiency was addressed.

The Permittee must provide a justification for not conducting surface water monitoring within the permit and adjacent area. The applications response to the deficiency cites Section 7.2.4.2 as having been modified address this deficiency. The modification to Section 7.2.4.2 discusses the ephemeral nature of the Miller Creek tributary and irrigation return flows. The surface-water monitoring deficiency is not addressed with this revision.

TECHNICAL MEMO

The Permittee must provide a reasonable/justifiable discussion as to why surface-water monitoring is not necessary at the site. Addressing the ephemeral nature of the tributary alone does not address the previously identified deficiency (Task ID #2899) relative to surface-water monitoring for either the ephemeral tributary or Miller Creek.

Findings:

The application does not meet the Hydrologic Resource Information requirements of the State of Utah R645-Coal Mining Rules. The follow deficiencies must be addressed prior to Division approval:

R645-724.100: The application does not meet the Groundwater Baseline requirements as required by the State of Utah R645-Coal Mining Rules. The previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899) had identified deficiencies with the groundwater characterization provided in the initial application. The Division noted during the initial technical analysis that the ground water monitoring requirements for the purpose of obtaining baseline information could be waived if the Permittee could demonstrate that data obtained from adjacent areas is comparable to the conditions found at the site. Upon review of the application, it appears that the data utilized by the Permittee from the Savage facility was not provided as requested.

The deficiency was discussed during the August 13th, 2008 meeting with COVOL representatives at which time; issues with this deficiency were not raised. The Permittee should provide the following:

- Provide the data that was utilized in determining the nature and characteristics of the groundwater system in the permit and adjacent area.
- Provide a discussion as to how the information/data obtained from the Savage Coal Terminal and “nearby wells” is representative of the ground water resources located at the site. The discussion should address groundwater flow direction within the permit and adjacent area.

R645-301-724.200: The application does not meet the Surface Water Baseline requirements as required by the State of Utah R645-Coal Mining Rules. The previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899) had identified deficiencies with the surface water characterization provided in the initial application. Upon review of the application, it does not appear that the deficiencies were addressed. The deficiency was discussed during the August 13th, 2008 meeting with COVOL representatives at which time; issues with this deficiency were not raised. The Permittee should provide the following:

- The application should provide the data and/or observations that were utilized in determining the nature and characteristics of Miller Creek. The application characterizes Miller Creek as a “perennial stream”. The Permittee must provide some justification (based upon available data/information) as to how that determination was made. As the application has identified Miller Creek as a perennial stream and as it is located less than ½ mile south of the site, the State of Utah R645-Coal Mining Rules require some semblance of baseline data/information that establishes how the flow characteristics of that drainage were established by the Permittee.
- In addition, the Permittee should address how the nature/characteristics of the tributary to Miller Creek located approximately 400 feet west of the southwest sediment pond (See Figure 7-2). During the August 13th, 2008 meeting with COVOL representatives, it was determined that the ephemeral nature of this drainage could be established by discussing/presenting information on the size of the watershed, stream morphology, presence/lack of riparian vegetation etc. This information does not appear to have been included with the application.

R645-301-725: The application does not meet the Baseline Cumulative Impact Area Information requirements of R645-301-725. The Permittee must provide the data utilized in characterizing the nature of the ground and surface water systems within the permit and adjacent area. The data is necessary in order for the Division to accurately assess the probably cumulative hydrologic impacts of the proposed operation.

R645-301-728, -731.300: R645-301-728, -731.300 The Permittee must modify their proposed sampling protocol for potentially acid- and toxic-forming materials as outlined on page 7-13 of the application. The Permittee outlines a proposed sampling protocol for determining the presence/absence of potentially acid- and toxic-forming material on the site. Upon review, sampling of the coal to be retained on site for longer than 30 days is predicated upon the existence of client-provided data (i.e. if the data is unobtainable or does not exist, no sampling would occur in the event that the coal remains on the site for extended periods of time). The Permittee must provide a commitment to sample any coal product (raw material, product or byproduct) that is retained on the site for extended periods of time. The State of Utah R645-Coal Mining Rules provide leeway in establishing the sampling frequency of the coal material (i.e. based on tonnage, time periods or a combination of both). The sampling should be conducted according to Tables 7 and 8 of the Division’s Guidelines For The Analysis of Topsoil Overburden.

R645-301-724.100: The Permittee must provide additional groundwater monitoring information. The location of the groundwater monitoring well, the sampling parameters and the monitoring frequency must be provided prior to Division approval of the application. As outlined in Attachment A of the agreement entered into by the Permittee and the Division (dated September 15, 2008), the Permittee will work in consultation with the Division to establish the aforementioned criteria.

TECHNICAL MEMO

R645-301-724.200: The application does not meet the Surface Water Monitoring Plan requirements as required by the State of Utah R645-Coal Mining Rules. The previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899) had identified a deficiency with surface water monitoring. Upon review of the application, it does not appear that the deficiency was addressed.

The Permittee must provide a justification for not conducting surface water monitoring within the permit and adjacent area. The applications response to the deficiency cites Section 7.2.4.2 as having been modified to address this deficiency. The modification to Section 7.2.4.2 discusses the ephemeral nature of the Miller Creek tributary and irrigation return flow. The surface-water monitoring deficiency is not addressed with this revision. The Permittee must provide a reasonable/justifiable discussion as to why surface-water monitoring is not necessary at the site. Addressing the ephemeral nature of the tributary alone does not address the previously identified deficiency (Task ID #2899) pertaining to surface-water monitoring for either the ephemeral tributary or Miller Creek.

MAPS, PLANS, AND CROSS SECTIONS OF RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.24, 783.25; R645-301-323, -301-411, -301-521, -301-622, -301-722, -301-731.

Analysis:

Subsurface Water Resource Maps

The application meets the Maps, Plans and Cross Sections of Resource Information as required by R645-301-731. Figure 7-1, *Generalized Area Hydrostratigraphic Cross-Section (as adapted from Gloyn et al., 2003)*, is a cross-section that depicts the general groundwater system as identified by Utah Geological survey Bulletin 132.

Surface Water Resource Maps

The application meets the Surface Water Resource Maps requirement of R645-301-722. Figure 7-2, *Surface Water Rights and Permitted Facility Discharge Locations*, depicts the surface water resources located within and adjacent to the permit area, including a point-to-point stock watering right located on Miller Creek (Water Right #91-3294).

Well Maps

The previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899) had identified a deficiency with Well Maps. Upon review of the application, it does not appear that the deficiency was addressed. The deficiency was discussed

during the August 13th, 2008 meeting with COVOL representatives at which time; issues with this deficiency were not raised. The Permittee should provide the following:

- The Permittee should provide a map that depicts the wells located within the permit and adjacent area. On page 7-4 of the application the Permittee states, "No water-supply wells or groundwater monitoring wells currently exist in the permit area". This statement appears to contradict information provided in Section 7.2.2.1. The second paragraph of page 7-2 states, "Groundwater monitoring wells and a French drain installed at the Savage Coal Terminal, located approximately 0.25 miles north of the COVOL Dry-Coal cleaning Facility, were constructed from 6 to 20 feet deep into these materials." If the groundwater information from the Savage Coal Terminal is to be cited as the baseline data for the permit application, a map should be provided that depicts the locations of these wells.

Findings:

The application does not meet the Maps, Plans and Cross Sections of Resource Information requirements of the State of Utah R645-Coal Mining Rules. The follow deficiency must be addressed prior to Division approval:

R645-301-722.400: The previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899) had identified a deficiency with Well Maps. Upon review of the application, it does not appear that the deficiency was addressed. The deficiency was discussed during the August 13th, 2008 meeting with COVOL representatives at which time; issues with this deficiency were not raised. The Permittee should provide the following:

- The Permittee should provide a map that depicts the wells located within the permit and adjacent area. On page 7-4 of the application the Permittee states, "No water-supply wells or groundwater monitoring wells currently exist in the permit area". Although no water-supply wells exist within the permit area, the second paragraph of page 7-2 states, "Groundwater monitoring wells and a French drain installed at the Savage Coal Terminal, located approximately 0.25 miles north of the COVOL Dry-Coal cleaning Facility, were constructed from 6 to 20 feet deep into these materials." If the groundwater information from the Savage Coal Terminal is to be cited as the baseline data for the permit application, a map should be provided that depicts the locations of these wells located in the adjacent area. (See also R645-301-722.300).

TECHNICAL MEMO

OPERATION PLAN

SUBSIDENCE CONTROL PLAN

Regulatory Reference: 30 CFR 784.20, 817.121, 817.122; R645-301-521, -301-525, -301-724.

Analysis:

The application meets the Subsidence Control Plan requirements of R645-301-724. On page 5-10 of the application the Permittee states, "There will be no underground mining or subsidence at this facility. Hence, no pre-subsidence survey will be conducted, no areas need to be protected from subsidence, no subsidence control plan will be developed, no subsidence control measures will be implemented, no subsidence damage repair will be performed and no public notice of underground mining activities will be required".

Findings:

The application meets the Subsidence Control Plan requirements of R645-301-724.

ROAD SYSTEMS AND OTHER TRANSPORTATION FACILITIES

Regulatory Reference: 30 CFR Sec. 784.24, 817.150, 817.151; R645-301-521, -301-527, -301-534, -301-732.

Analysis:

Plans and Drawings

The application meets the Plans and Drawings requirements of R645-301-732. Figure 5-3, *Standard Road Cross-Section*, provides the cross-sections and profiles to be used and/or maintained on the COVOL site roads.

Performance Standards

The application meets the Performance Standard requirements of R645-301-742.423. The application discusses the road drainage considerations/designs on page 7-14 in Section 7.3.2.4. The road drainage facilities will incorporate diversion ditches, culverts and containment berms.

The facility will utilize three roads: an access road that leads from Ridge road into the main yard, a road around the perimeter of the main yard and a truck turnaround north of the main yard. None of the roads are located in the channel of an intermittent or perennial stream.

The design specifications for the road ditches and culverts were calculated utilizing a 100-year, 6-hour precipitation event. The diversion hydrology calculations are provided in Appendix 7-7. The Permittee generated the design storm hydrographs used in designing the drainage system of the site by utilizing HydroCAD 8.5. HydroCAD 8.5 is a software application that calculates peak flows, velocities and hydrographs for a given storm event. The Permittee utilized an average curve number of 87 for the disturbed area calculations. The curve number selected is reasonable given the conditions of the site and the soil type.

On page 5-13 of the application, the Permittee states, "No alterations or relocations of natural drainage ways are required within the permit area to accommodate the needs of transportation systems."

Findings:

The application meets the Road Systems and Other Transportation Facilities requirements of the State of Utah R645-Coal Mining Rules.

SPOIL AND WASTE MATERIALS

Regulatory Reference: 30 CFR Sec. 701.5, 784.19, 784.25, 817.71, 817.72, 817.73, 817.74, 817.81, 817.83, 817.84, 817.87, 817.89; R645-100-200, -301-210, -301-211, -301-212, -301-412, -301-512, -301-513, -301-514, -301-521, -301-526, -301-528, -301-535, -301-536, -301-542, -301-553, -301-745, -301-746, -301-747.

Analysis:

Disposal Of Noncoal Mine Wastes

The application meets the Disposal of Noncoal Mine Wastes requirements of R645-301-747. On page 5-14 of the application the Permittee discusses the disposal of noncoal mine waste. The application outlines that noncoal waste generated in the permit area will be temporarily stored in dumpsters and will be regularly collected to be disposed of at the East Carbon Development Company landfill. The Permittee states, "No non-coal waste is permanently disposed of within the permit area". In addition, the Permittee commits to handling any hazardous non-coal waste in accordance with the requirements of Subtitle C of the Resource Conservation and Recovery Act.

Refuse Piles

The application meets the Refuse Pile requirements of R645-301-746.200.

On page 5-5 the Permittee states, "No refuse piles will be located in the permit area". On page 7-25, the Permittee states, "There are no refuse piles at the facility."

TECHNICAL MEMO

Findings:

The application meets the Spoil and Waste Materials requirements of the State of Utah R645-Coal Mining rules.

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 773.17, 774.13, 784.14, 784.16, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-300-140, -300-141, -300-142, -300-143, -300-144, -300-145, -300-146, -300-147, -300-148, -301-512, -301-514, -301-521, -301-531, -301-532, -301-533, -301-536, -301-542, -301-720, -301-731, -301-732, -301-733, -301-742, -301-743, -301-750, -301-761, -301-764.

Analysis:

General

The application meets the General Hydrologic Information requirements as provided for in R645-301-730. Section 7 of the application provides the general hydrologic information for the proposed site and adjacent area.

Water Rights and Replacement

The application meets the Water Rights and Replacement requirements of the State of Utah R645-Coal Mining Rules.

On page 7-14 of the application, the Permittee states, "COVOL will replace the water supply of an owner of interest in real property who obtains all or part of his or her supply of water for domestic, agricultural, industrial or other legitimate use from an underground or surface source, where the supply has been adversely impacted by contamination, diminution or interruption proximately resulting from activities conducted by COVOL in the permit area."

Groundwater Monitoring

R645-301-731.210: The Permittee must provide additional groundwater monitoring information. The location of the groundwater monitoring well, the sampling parameters and the monitoring frequency must be provided prior to Division approval of the application. As outlined in Attachment A of the agreement entered into by the Permittee and the Division (dated September 15h, 2008), the Permittee will work in consultation with the Division to establish the aforementioned criteria.

Surface Water Monitoring

R645-301-731.220: The application does not meet the Surface Water Monitoring Plan requirements as required by the State of Utah R645-Coal Mining Rules. The previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899) had identified a deficiency with surface water monitoring. Upon review of the application, it does not appear that the deficiency was addressed.

The Permittee must provide a justification for not conducting surface water monitoring within the permit and adjacent area. The applications response to the deficiency cites Section 7.2.4.2 as having been modified address this deficiency. The modification to Section 7.2.4.2 discusses the ephemeral nature of the Miller Creek tributary and irrigation return flow. The surface-water monitoring deficiency is not addressed with this revision. The Permittee must provide a reasonable/justifiable discussion as to why surface-water monitoring is not necessary at the site. Addressing the ephemeral nature of the tributary alone does not address the previously identified deficiency (Task ID #2899) relative to surface-water monitoring for either the ephemeral tributary or Miller Creek.

Acid- and Toxic-Forming Materials and Underground Development Waste

The application does not meet the Acid- and Toxic-Forming Materials and Underground Development Waste requirements of R645-301-731.300.

R645-301-728, -731.300: R645-301-728, -731.300 The Permittee must modify their proposed sampling protocol for potentially acid- and toxic-forming materials as outlined on page 7-13 of the application. The Permittee outlines a proposed sampling protocol for determining the presence/absence of potentially acid- and toxic-forming material on the site. Upon review, sampling of the coal to be retained on site for longer than 30 days is predicated upon the existence of client-provided data (i.e. if the data is unobtainable or does not exist, no sampling would occur in the event that the coal remains on the site for extended periods of time). The Permittee must provide a commitment to sample any coal product (raw material, product or byproduct) that is retained on the site for extended periods of time. The State of Utah R645-Coal Mining Rules provides leeway in establishing the sampling frequency of the coal material (i.e. based on tonnage, time periods or a combination of both). The sampling should be conducted according to Tables 7 and 8 of the Division's Guidelines For The Analysis of Topsoil Overburden.

Diversions: General

The application meets the Diversions: General requirements of R645-301-742.300. The hydrologic design considerations and methods are provided in Appendix 7-5 of the application. Plate 7-2, *Site Watershed and Drainage Map Wellington Dry Coal Cleaning Facility*, depicts the drainage system to be utilized at the site as well as the watershed boundaries utilized in sizing the

TECHNICAL MEMO

various components of the drainage system. Appendix 7-7 provides the hydrologic calculations for the drainage channels and associated culverts. Table 7-2 provides a summary of the drainage ditch and culvert data.

The ditch capacities and flow velocities were calculated using HydroCAD 8.5. HydroCAD 8.5 uses the Manning and continuity equations. With the post-mining land-use to remain industrial, the diversions are not slated for removal/reclamation following the cessation of operations at the site. As such, the Permittee calculated runoff values assuming permanent diversion structures. A 100-year, 6-hour precipitation event was utilized in the drainage calculations for the diversion ditches.

Beginning on page 7-22, the application provides a summary of the geometry, channel slope, peak discharge, erosion protection, maximum flow velocity and minimum depth values for each diversion ditch and culvert at the facility.

Diversions: Perennial and Intermittent Streams

The application meets the Diversions: Perennial and Intermittent Stream requirements of R645-301-742.300. No diversions of perennial or intermittent streams are planned for this operation.

Sediment Control Measures

The application meets the Sediment Control Measures requirements of R645-301-742. The sediment control measures have been designed to prevent additional contributions of sediment to streams or to runoff outside the permit area, meet applicable effluent limitations and minimize erosion to the extent possible. The structures to be used to control sediment transport at the site include diversion channels, sedimentation ponds, containment berms, silt fences and road diversions and culverts.

Siltation Structures: Sedimentation Ponds

The does not meet the Siltation Structures: Sedimentation Ponds requirements of R645-301-732.200. The design considerations for the sediment pond designs are provided in Section 3 of Appendix 7-5. Plate 7-1 provides cross sections for each of the sedimentation ponds that depict the maximum water storage elevation, maximum sediment storage stage as well as the 60% sediment cleanout stage. Table 7-1 provides a summary of the sediment pond data for both the east and west ponds. Appendix 7-6 provides the sediment storage calculations.

The ponds are designed to work individually. The ponds respectively accept runoff from the eastern and western portions of the disturbed area. The sediment ponds were designed to contain sediment in addition to the runoff produced from the design storm event. The Universal Soil Loss Equation was utilized in determining the expected annual sediment volume reporting to each of the ponds.

The capacity of each pond was designed based on runoff and sediment storage volumes derived from the design storm event as outlined in the regulations. The ponds have been designed to completely contain the 10-year, 24-hour storm event. The spillways were designed to adequately pass the peak flow resulting from the 25-year, 6-hour precipitation event.

In Sections 7.4.2.2 and 7.4.4, the Permittee discusses the discharge of the sediment ponds. If the ponds were to discharge, the water would eventually enter the tributary to Miller Creek via overland flow. Each sediment pond is equipped with a riprap armored spillway (D50= 40 inches).

Discharge Structures

The application meets the Discharge Structures requirements of R645-301-744. The Permittee provides the design considerations in Section 3 of Appendix 7-5.

Each of the sediment ponds is equipped with a swale on its downstream side that serves as a spillway. The spillways were designed to safely discharge the peak flow resulting from the 25-year, 6-hour event as required by R645-301-743.300.

Utilizing the design storm event, the peak velocity of the outflow from the eastern pond was 2.01 feet per second (fps). With the peak velocity less than 5 fps, the flow is considered non-erosive and such erosion protection is not required. The peak velocity of the outflow from the western pond was calculated to be 3.24 cfs. Again, with a peak velocity below 5 fps, erosion protection is not required.

Findings:

The application does not meet the Hydrologic Information requirements of the State of Utah R645-Coal Mining rules. The following deficiencies should be addressed prior to Division approval:

R645-301-731.210: The Permittee must provide additional groundwater monitoring information. The location of the groundwater monitoring well, the sampling parameters and the monitoring frequency must be provided prior to Division approval of the application. As outlined in Attachment A of the agreement entered into by the Permittee and the Division (dated September 15h, 2008), the Permittee will work in consultation with the Division to establish the aforementioned criteria.

R645-301-731.220: The application does not meet the Surface Water Monitoring Plan requirements as required by the State of Utah R645-Coal Mining Rules. The previous technical review performed by the Division (Deficiency letter sent July 09th, 2008 Task ID #2899) had identified a deficiency with surface water monitoring. Upon review of the application, it does not appear that the deficiency was addressed.

TECHNICAL MEMO

The Permittee must provide a justification for not conducting surface water monitoring within the permit and adjacent area. The applications response to the deficiency cites Section 7.2.4.2 as having been modified address this deficiency. The modification to Section 7.2.4.2 discusses the ephemeral nature of the Miller Creek tributary and irrigation return flow. The surface-water monitoring deficiency is not addressed with this revision. The Permittee must provide a reasonable/justifiable discussion as to why surface-water monitoring is not necessary at the site. Addressing the ephemeral nature of the tributary alone does not address the previously identified deficiency (Task ID #2899) relative to surface-water monitoring for either the ephemeral tributary or Miller Creek.

R645-301-728, -731.300: R645-301-728, -731.300 The Permittee must modify their proposed sampling protocol for potentially acid- and toxic-forming materials as outlined on page 7-13 of the application. The Permittee outlines a proposed sampling protocol for determining the presence/absence of potentially acid- and toxic-forming material on the site. Upon review, sampling of the coal to be retained on site for longer than 30 days is predicated upon the existence of client-provided data (i.e. if the data is unobtainable or does not exist, no sampling would occur in the event that the coal remains on the site for extended periods of time). The Permittee must provide a commitment to sample any coal product (raw material, product or byproduct) that is retained on the site for extended periods of time. The State of Utah R645-Coal Mining Rules provides leeway in establishing the sampling frequency of the coal material (i.e. based on tonnage, time periods or a combination of both). The sampling should be conducted according to Tables 7 and 8 of the Division's Guidelines For The Analysis of Topsoil Overburden.

RECLAMATION PLAN

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 784.14, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-301-512, -301-513, -301-514, -301-515, -301-532, -301-533, -301-542, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-733, -301-742, -301-743, -301-750, -301-751, -301-760, -301-761.

Analysis:

Hydrologic Reclamation Plan

The application meets the Hydrologic Reclamation Plan requirements of R645-301-760 and -761. The application provides a detailed reclamation plan in Section 5.40 of the plan. The future land-use of the site is for industrial use. The reclamation plan essentially focuses on rendering the site suitable/compatible for future industrial use.

Beginning on page 5-19 of the application, the Permittee outlines reclamation commitments. Components of the reclamation plan include: removal of any remnants of coal stockpiles, coal residue and coal processing structures and equipment. Stockpiled soil will be

redistributed over the areas not intended for re-disturbance by the future site owner. Under the assumption that future uses of the property will require the existing components of the site, roads, parking areas, utilities, fencing, drainage control structures and the septic system will be left in place.

The sediment ponds and associated drainage ditches/diversions will be left in place for the future landowner.

It is anticipated that the final surface configuration of the site will be very similar to the operational phase configuration. No extensive site regarding is anticipated.

Findings:

The application meets the Hydrologic Reclamation Plan requirements of R645-301-760 and -761.

RECOMMENDATIONS:

The application should not be approved at this time.